



**CADET COLLEGE HASANABDAL  
ENDOWMENT FUND TRUST**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**BDO Ebrahim & Co. Chartered Accountants**

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

The Board of Trustees,  
Cadet College Hasanabdal Endowment Fund Trust,  
Hasanabdal

January 12, 2024  
BDO/AUD/1214/2023

**AUDIT OF FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023**

Dear Sir/Ma'am,

We are pleased to enclose herewith two copies of the draft financial statements together with our draft audit report thereon duly initialed by us for identification purposes. We shall be pleased to sign our report in its present or amended form after the financial statements are approved and signed by a Trustee and Secretary of the Trust and on provision of the following;

- (a) Letter of representation addressed to us on behalf of the Trust and signed by a Trustee and Secretary of the Trust as per draft provided by us.
- (b) The Board's approval for the following;
  - Related party transactions as disclosed in the financial statements;
  - Minutes of the meeting in which financial statements for the year ended have been approved by the Board; and
  - Transfer of bank profit on restricted funds to endowment fund amounting to Rs. 632,032.

We would like to advise you that unless we sign our audit report, these draft financial statements shall remain and be deemed un-audited.

Our observations on this set of financial statements are as follows:

**1 RESPONSIBILITIES OF THE MANAGEMENT AND AUDITORS IN RELATION TO THE FINANCIAL STATEMENTS**

The responsibilities of the independent auditors in a usual examination of financial statements are stipulated in International Standards on Auditing. While the auditors are responsible for forming and expressing their opinion on the financial statements, the responsibility for preparation of such statements is primarily that of the Trust's management.

The management's responsibilities include the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Trust and prevention and detection of frauds and irregularities. The audit of financial statements does not relieve the management of its responsibilities.



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## 2 ADVANCE TAX

During the course of audit, we noted that the Trust had recorded advance tax amounting to Rs. 12.146 million. This amount is being withheld by bank against saving account profits before submission of exemption certificate with the bank. We recommend that the Trust should take appropriate action against this balance after considering its recoverability.

## 3 RESTRICTED GRANT

During the course of the audit, we noted that the Trust has unchanged balance for more than three years in restricted grant amounting to Rs.15.094 million donated by "Future Trust & 17th Entry Abdalians". We recommend that the Trust should take appropriate action against this balance after proper scrutiny.

## 4 UNIQUE DOCUMENT IDENTIFICATION NUMBER (UDIN)

To enhance public trust on auditors report, the Institute of Chartered Accountants of Pakistan (ICAP) has issued a Directive 4.27, whereby it is required that every practicing chartered accountant will place UDIN generated from ICAP portal on the following reports:

Auditors' Report on General Purpose Financial Statements  
Auditors' Report on Interim Financial Information  
Auditors' Report on Statement of Compliance with Code of Corporate Governance.

In order to obtain the UDIN, auditors are required to upload certain financial information of the reporting entity. Accordingly, we are required to upload the information on ICAP's portal for generation of UDIN. The ICAP, in its frequently asked questions, has assured that Client's confidential data would be entered by the concerned engagement partner himself and such data would not be available for any unauthorized use.

Compliance of the above ICAP Directive is mandatory and non-compliance of results in professional misconduct under Chartered Accountants Ordinance, 1961.

## 5 RELATED PARTY TRANSACTIONS

We have been informed by the management that there were no transactions with the related parties other than those disclosed in the notes to the financial statements.

## 6 COMPLIANCE WITH STATUTORY LAWS AND REGULATIONS

We have been informed by the management that there were no instances of non-compliance with statutory laws and regulations that would have financial reporting implications. Kindly confirm the representations made by management.



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**7 CONTINGENCIES AND COMMITMENTS**

We have been informed by the management that there are no other contingencies and commitments as on the date of the financial statements other than those disclosed in the notes to the financial statements. Kindly confirm the representations made by management.

**8 SUBSEQUENT EVENTS**

We have been informed by the management that there were no subsequent events that would have financial reporting implications or required disclosure in these financial statements.

**9 FRAUD AND ERROR**

We have been informed by the management that no case of fraud and error has been brought to their knowledge during the year except for as disclosed and intimated to us by management. Kindly confirm the representations made by management.

We wish to place on record our appreciation for the courtesy and cooperation extended to us during course of our audit.

Yours faithfully,

*Bdo ebrahim & co.*

**BDO EBRAHIM & CO.**

Enclosed as above





auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is Iffat Hussain.

ISLAMABAD

DATED: February 28, 2024

UDIN: AR202310094ptFVg1OBR

*Bdo ebrahim & Co.*  
BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS  
*Bdo ebrahim & Co.*



## INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Cadet College Hasanabdal Endowment Fund Trust** (the Trust), which comprise the statement of financial position as at June 30, 2023, the statement of income and expenditure, the statement of changes in endowment fund and the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at June 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with approved accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the approved accounting and reporting standards, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, trustees are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an

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**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Advance tax	4	12,145,827	9,148,405
Bank balances	5	492,888,866	221,170,792
<b>TOTAL ASSETS</b>		<u>505,034,693</u>	<u>230,319,197</u>
<b>FUND AND LIABILITIES</b>			
<b>FUND</b>			
Endowment fund		378,729,257	202,779,678
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Restricted grant	6	125,751,761	26,442,331
<b>CURRENT LIABILITIES</b>			
Retention money	7	290,050	792,188
Accrued liabilities	8	263,625	305,000
		553,675	1,097,188
<b>TOTAL LIABILITIES</b>		<u>126,305,436</u>	<u>27,539,519</u>
<b>TOTAL FUND AND LIABILITIES</b>		<u>505,034,693</u>	<u>230,319,197</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.

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**SECRETARY**

  
**TRUSTEE**

**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST**  
**STATEMENT OF INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>INCOME</b>			
Recognized from restricted grant	6	31,067,968	60,120,778
<b>EXPENDITURE</b>			
<b>Charged to Endowment Fund</b>			
Scholarships and awards	9	3,722,095	617,367
Reimbursement to the college in respect of:			
Teachers training expenses		-	86,408
Legal and professional charges	10	267,525	477,700
Round square conferences	11	2,665,600	-
Employees welfare / improving out look		-	628,792
Other operating expenses		93,400	1,215,000
Bank charges		6,206	3,132
		6,754,826	3,028,399
<b>Charged to Restricted Grant</b>			
Transferred to the college on account of scholarships	12	23,517,725	26,703,441
Renovation of main gate		-	5,801,000
Renovation of library		235,951	10,102,785
Profit transfer		-	11,876,863
Expenditure out of reserve fund		500,000	2,472,792
Bank charges		4,466	5,278
Renovation of mosque		55,000	-
Renovation of office		-	130,220
		24,313,142	57,092,379
		31,067,968	60,120,778
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		-	-

The annexed notes from 1 to 17 form an integral part of these financial statements.

*Blessed*

  
**SECRETARY**

  
**TRUSTEE**



**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST**  
**STATEMENT OF CHANGES IN ENDOWMENT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

		Endowment fund	Accumulated Surplus/(Deficit)	Total
Note		-----Rupees-----		
	<b>Balance at July 01, 2021</b>	170,937,194	-	170,937,194
	Funds received during the year	20,996,915	-	20,996,915
	Profit on saving accounts - net	10,845,569	-	10,845,569
	Surplus/(deficit) for the year	-	-	-
	<b>Balance at June 30, 2022</b>	202,779,678	-	202,779,678
	Funds received during the year	146,115,010	-	146,115,010
	Profit on saving accounts - net	29,655,569	-	29,655,569
	Liability written back	179,000	-	179,000
	Surplus/(deficit) for the year	-	-	-
	<b>Balance at June 30, 2023</b>	378,729,257	-	378,729,257

The annexed notes from 1 to 17 form an integral part of these financial statements.

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**SECRETARY**

  
**TRUSTEE**



**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 Rupees	2022 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus / (deficit) for the year		-	-
<b>Adjustment for non-cash items:</b>			
Grant income recognized during the year	6	(31,067,968)	(60,120,778)
Liability written back		179,000	-
<b>Working capital changes:</b>			
Increase in advance tax		(2,997,422)	(2,426,080)
(Decrease) / increase in accrued liabilities		(41,375)	15,000
(Decrease) / increase in retention money		(502,138)	182,188
		(3,540,935)	(2,228,892)
Net cash used in operating activities		(34,429,903)	(62,349,670)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Restricted grant received / (utilized)		130,377,398	40,749,291
Endowment fund received		175,770,579	31,842,484
Net cash generated from financing activities		306,147,977	72,591,775
Net increase in cash and cash equivalents during the year		271,718,074	10,242,105
Cash and cash equivalents at beginning of the year		221,170,792	210,928,687
Cash and cash equivalents at end of the year	5	492,888,866	221,170,792

The annexed notes from 1 to 17 form an integral part of these financial statements.

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**SECRETARY**

  
**TRUSTEE**



**CADET COLLEGE HASANABDAL ENDOWMENT FUND TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**1 THE TRUST AND ITS OPERATIONS**

Cadet College Hasanabdal Endowment Fund Trust ("the Trust") is a non-profit organization and was registered in Pakistan on May 24, 2014 under the Trust Act, 1882. The primary objective of the Trust is to establish, manage, maintain, own and administer funds to primarily promote and subsidize all activities of the Cadet College Hasanabdal ("the College"). The registered office of the Trust is located at Cadet College Hasanabdal, District Attock, Pakistan.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. The accounting and reporting standards comprise of Revised Accounting and Financial Reporting Standards for Small Sized Entities (Revised AFRS for SSEs) and the Accounting Standards for Not for Profit Organizations (NPOs) issued by the Institute of Chartered Accountants of Pakistan (ICAP). In case requirements differ, the provisions of the AFRS for SSEs shall prevail.

**2.2 Basis of measurement**

These financial statements have been prepared under historical cost convention.

**2.3 Functional and presentation currency**

These financial statements are presented in Pak Rupees, which is also the Trust's functional currency.

**3 SIGNIFICANT ACCOUNTING POLICIES**

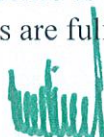
The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Endowment fund**

Endowment contributions are recognized as direct increase in net assets.

**3.2 Restricted grant**

Restricted grants which are specific to a particular project / expense are recognized as income when the related terms and conditions are fulfilled and the Trust has no remaining performance obligation.





### 3.3 Interest income on endowment contribution

Interest income on endowment contribution is initially recognized as restricted fund and then applied towards meeting the operating and / or capital expenses of the College. Any unspent interest income is recognized as endowment contributions.

### 3.4 Interest income on restricted fund

Interest income on restricted fund is recognized as a part of restricted fund on accrual basis.

### 3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks.

### 3.6 Accrued and other liabilities

Accrued liabilities are initially recognized at their fair value. Subsequent to initial recognition, these are carried at their amortized cost which approximates the fair value of consideration to be paid in the future for goods and services received.

### 3.7 Taxation

The Trust has been registered as not for profit organization under section 2(36) of the Income Tax Ordinance, 2001. The Trust income is eligible for tax credit under section 100(c) of the Income Tax Ordinance, 2001 from grants, profits on saving accounts and so much of the income chargeable under the head 'Income from Business' as is expended in Pakistan for the purposes of carrying out welfare activities. Accordingly, provision for taxation has not been made in these financial statements.

	Note	2023 Rupees	2022 Rupees
<b>4 ADVANCE TAX</b>			
Balance as at July 01,		9,148,405	6,722,325
Addition during the year		2,997,422	2,426,080
Balance as at June 30,		<u>12,145,827</u>	<u>9,148,405</u>
<b>5 BANK BALANCES</b>			
Cash at bank in local currency:			
Saving accounts	5.1	<u>492,888,866</u>	<u>221,170,792</u>

- 5.1 These accounts carry interest rate ranging from 11.86% to 20.67% (2022: 5.16% to 11.75%) per annum.

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Balance as at July 01, 2021	Received during the year	Recognized during the year	Transferred to endowment fund	Balance as at June 30, 2022
-----Rupees-----				

<b>Donor</b>					
1 Future Trust & 17th Entry Abdalians for services block	15,094,000	-	-	-	15,094,000
2 Abdalians and non-Abdalians for scholarships	1,494,023	27,666,269	24,023,139	-	5,137,153
3 Fatima Welfare Foundation for out reach program	1,472	-	1,472	-	-
4 32nd Entry Scholarship	-	2,680,302	2,680,302	-	-
5 31st Entry Renovation of CCH Mosque	241,404	-	-	-	241,404
6 Col(R ) Shahid Hamid & Dr. Zahid Hamid Renovation of CCH Main Gate	1,801,000	4,000,000	5,801,000	-	-
7 24th Entry and Mr. Musadaq Zulqarnain 17th Entry Renovation of CCH Library	10,180,736	158,000	10,102,785	-	235,951
8 Abdalian Association UK Renovation of 2 x Lower Staff Quarters	173,067	306,381	-	-	479,448
9 Abdalian Association of North America for renovation of faculty houses	42,602	-	42,602	-	-
10 Mr. Rizwan Pervez for installation of watering system	34,883	-	34,883	-	-
11 Mr. Navid Fazil - CEO Interloop for installation of air conditioning system	1,107,635	-	1,107,635	-	-
12 Bank profit on restricted funds	11,876,863	2,299,940	11,882,141	-	2,294,662
13 Bank profit on endowment fund	-	13,873,968	3,028,399	10,845,569	-
14 Others	3,766,133	610,000	1,416,420	-	2,959,713
	<u>45,813,818</u>	<u>51,594,860</u>	<u>60,120,778</u>	<u>10,845,569</u>	<u>26,442,331</u>

6.1 As per Trust deed, entity recognizes interest income as restricted fund and then applies it towards meeting the operating /capital expenses of the College. Any unspent interest income is transferred to endowment fund at year end.

6.2 These comprise of donations from various individuals to be utilized for the specific purposes as approved or as specified in Trust deed by the Trustees. *filed*

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**7 RETENTION MONEY**

This represents amount withheld at 5% of the amount paid to parties against construction of roads.

**8 ACCRUED LIABILITIES**

Audit fee payable  
Payable in respect of tax services

2023 Rupees	2022 Rupees
140,000	305,000
123,625	-
<u>263,625</u>	<u>305,000</u>

**9 SCHOLARSHIPS AND AWARDS**

This represents scholarship awarded to students on need basis as approved by scholarship award committee.

**10 LEGAL & PROFESSIONAL CHARGES**

Audit fee  
Tax services  
Stamp duty expense  
Payment to PCP (Pakistan Centre for Philanthropy)

2023 Rupees	2022 Rupees
140,000	120,000
123,625	54,700
3,900	-
-	303,000
<u>267,525</u>	<u>477,700</u>

**11 ROUND SQUARE CONFERENCES**

This represents fund transferred to Cadet College Hasanabdal for participation of cadets in the Round Square International Conferences held in Kenya and United Kingdom.

**12 TRANSFERRED TO THE COLLEGE ON ACCOUNT OF SCHOLARSHIPS**

This represents donation received from ex-abdalians for the scholarships of the students which were then transferred to college. During the year, 51 students (2022: 69 students) were awarded with scholarships.

**13 ENDOWMENT FUND**

This represents amount donated by ex-students of the college and other individuals for welfare of the Cadet College.

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#### 14 RELATED PARTY TRANSACTIONS

Related parties comprise of board members, key management personnel and entities over which the board members are able to exercise significant influence. Transactions with related parties are as follows:

	2023 Rupees	2022 Rupees
Payments during the year to the College on account of:		
- Scholarships	28,878,536	27,320,808
- Round square conference	2,665,600	-
- Teachers training expenses	-	86,408

#### 15 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and for better presentation. However, no significant reclassification has been made during the year.

#### 16 DATE OF AUTHORIZATION

These financial statements were approved by the Board of Trustees on 28 FEB 2024.

#### 17 GENERAL

Figures have been rounded off to the nearest rupee.  
*Rs. in Lakhs*

  
SECRETARY

  
TRUSTEE